

Clear. Colder tonight and tomorrow.

The Washington Times

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STARTLING ARRAY OF FACTS BETRAYS THE COAL COMBINE

Congressman Asserts Public Has Been Swindled.

URGES AN INVESTIGATION

Determined Not to Let Up Until the Fight Is Won.

Stormy times are coming for the gigantic coal monopoly, directed by the Pennsylvania Railroad Company. Congressmen are slowly awakening to the reality of the trust and the enormity of its oppression.

Indignation, aroused by the remarkably sane reply on Monday of the Interstate Commerce Commission to the resolution of Congress asking for information about the great Pennsylvania combination, has begotten determination to get all the facts.

Presentation of the cold truth, revealing the progress of the trust, the indications upon the public and the fat increase in profits, will force action.

Investigation Demanded.

Demand for investigation will be made, and exposures now being made through the aid of investigators who were inspired with a hope of action by the initiative of Oscar W. Gillespie, member of Congress from Texas, will make it difficult for any member of the House publicly to oppose an honest inquiry.

Mr. Gillespie has accepted the task of forcing the issue. He introduced a resolution on Tuesday calling for specific information as to the coal trust, and has caused a series of inquiries to be made in the various departments in order to equip himself with evidence. Like others in Congress, who heretofore have given little attention to the coal combination, Mr. Gillespie declares that the information elicited about the trust is astounding.

Biggest Trust Yet Created.

"We find," said he, "the biggest trust ever created. Whether this be under form of law or not is yet to be determined. Resorting to the infallible test of judging a trust by its fruits, we see results that prove the coal combination as an iniquitous institution as any that afflicts us, if it is not the most iniquitous."

"Here we have the richest railroad in the world despotically dominating the traffic in a matter of national importance. The arbitrary imposition of enormous profits upon coal puts a burden upon every household in the land."

"Since the Pennsylvania Railroad Company acquired its big interest in the Baltimore and Ohio, Chesapeake and Ohio and Norfolk and Western railways, it has advanced the freight on bituminous coal 25 per cent."

"It has done this in the face of a greatly expanding market. The result is, 36 cents a ton added to the price, an increase of more than \$2,000,000 in the railway charges on this commodity."

"After having obtained virtual control of the bituminous coal-carrying industry in the United States, the Pennsylvania Railroad Company, through the Baltimore and Ohio, purchased control of the Reading company. This control was divided with the New York Central."

"The Baltimore and Ohio now owns \$4,282,500 of the Reading stock and the Lake Shore \$3,322,500, out of a total of \$10,000,000. The Reading owns the Jersey Central, and together with the latter and the Lake Shore, a big block of Lehigh Valley."

"This combination is sufficient to govern the traffic in anthracite coal. The price of this coal has been advanced twice since 1899, the year of the inauguration of the Pennsylvania policy, and the retail price now charged is \$1 a ton. This adds more than \$50,000,000 a year to the cost of coal to the people."

\$110,000,000 a Year.

"It is therefore reasonably clear that the Pennsylvania group of railroads by its policy is now exacting from the people of the United States more than \$110,000,000 a year above the prices charged for the same commodities six years ago."

"Purchase of the stocks of the Baltimore and Ohio and other soft-coal roads by the Pennsylvania began in 1899. From reports of the Interstate Commerce Commission it is found that the Pennsylvania railroad rate in soft coal that year to New York harbor was \$1.44 a ton. It was \$1.50 in 1905, an increase of precisely 25 per cent."

"Meantime, the wholesale price of soft

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THE WEATHER REPORT.

The southern storm has reached the New Jersey coast with increased intensity, and rains and snows have been general in the Atlantic States. Heavy snow fell from the Canadian States northward into eastern New York. There were also local snows in the upper Mississippi valley and upper lake region, and rains in California.

The weather will be fair tonight and Saturday in the East and the South and Middle Atlantic States, preceded by snow tonight in interior of eastern New York. There will also be light snow in the northern and western portions of western New York.

It will be much colder in the Middle Atlantic States and somewhat colder in the lower lake region, the Ohio valley, and the northern portion of the South Atlantic States.

TEMPERATURE.

9 a. m. 34

12 noon 34

1 p. m. 40

THE SUN.

Sun sets today 5:29

Sun rises tomorrow 6:28

TIDE TABLE.

Low tide today 2:15 p. m.

High tide today 7:45 a. m.

Low tide tomorrow 3:04 a. m.

High tide tomorrow 8:50 a. m.

CRISIS IN CHINA IS MOST SERIOUS OF RECENT YEARS

State Department May Send an Additional Cruiser to Philippines---Big Stick Badly Needed, Official Declares.

"The next gravely important phase of American foreign policy will be in our Chinese relations," said an official of the State Department today.

Speaking with a full understanding of the country's foreign affairs for the past twenty years, this official pointed out that except for our interference in the Cuban question, forced to an issue by the Maine disaster, the United States has had no complications with another power worthy of comparison with the threatened break with China.

President Cleveland's peremptory warning to Great Britain in the matter of the Venezuelan border, was merely a declaration of policy on the Monroe doctrine, quickly accepted by the London authorities.

General Chaffee's march to Peking was merely a relief expedition in conjunction with the allied forces to overcome an internal outbreak in China over which the Chinese government had no control.

America Must Choose.

Now, however, the United States is approaching a point where an election must be made; either the arrogances of the great merchant classes of eastern China, the most influential element in the empire, must be endured to the extermination of American trade in that vast Oriental market, or else this Government must pursue a policy of armed insistence that will re-establish the prestige of our country and our country's trade on the seaboard from the Chinese trading centers in the Straits Settlements north to Manchuria.

A combination of causes has brought about the dilemma of American policy in China. The boycott is now considered as an effect, and not a cause. The enforcement of the exclusion law cannot account for the "Americanophobia" that has permeated the big eastern provinces. In fact, this is more of a flimsy excuse than a reason in the opinion of many thinkers here.

China Yields to Jap Subtlety.

Outside influences are at work on the Asiatic but none the less easily hypnotized Chinese. The Japanese germ is undoubtedly affecting the policy of China. German and British agencies are tireless in the political and trade centers of the empire. While bad faith has not been charged to these governments in assisting the hatred of Americans recently begun in China, the Japanese, German and British subjects living and working in China, particularly those engaged in trade, would hardly disparage American trade in the Orient were they not aware of the fact that the United States has a wonderful strategic position on the Pacific, with the Philippines as

BOTH CHAMBERS BUSY WITH DISTRICT TODAY

Bill to Check Sale of Poisonous Drugs Is Favorably Reported to Senate.

At the meeting of the Senate Committee on the District today bills were favorably reported to the Senate as follows:

To regulate the sale of pharmacy and poison.

To increase the penalties for certain offenses.

To authorize the sale of real estate in the District belonging to the United States.

The bill authorizing the extension of W. and Adams streets northwest, was laid on the table.

A bill authorizing the extension of Monroe street northwest was referred to a subcommittee.

In the House District bills were introduced as follows:

An amendment to the act providing for the payment of damages on account of the Union Station improvements, providing an appeal on damages to a special jury of seven, appointed by the District Supreme Court.

A bill making it a misdemeanor for any man to abandon his wife or child, to support her or his minor children; no child shall have free tuition in the District public schools unless his parents pay taxes in the District.

The Commissioners may make a regulation fixing \$100 or imprisonment for six months any person turning in a false fire alarm.

To establish a public park at Fourteenth street and Columbia road.

To extend School street to Columbia road and to connect it with Fourteenth street.

WILL SURRENDER CLOTHES TO PAY HIS CREDITORS

Harry H. Meyerstein has filed a petition in voluntary bankruptcy, saying he is willing to surrender all his property for the benefit of his creditors. He says his assets consist of wearing apparel valued at \$5, and his liabilities amount to \$3,136.37, the aggregate of unsecured claims against him. R. B. Behrend is named as counsel for the petitioner.

ASSISTANT PAYMASTERS ASSIGNED TO SCHOOL

E. G. Morsell, J. E. McDonald, R. H. Johnson, L. G. Haughey, T. P. Ballinger, F. T. Foxworth, E. H. Van Patten, assistant paymasters in the navy, have been assigned to the Washington Navy Yard, beginning February 15, for special instruction in the Navy Pay Officers School.

\$1.25 To Baltimore and Return, \$1.25 Pennsylvania railroad, Saturday and Sunday, good to return until Sunday night.—Adv.

Baltimore and Return, \$1.25, Via Pennsylvania railroad, every Saturday and Sunday. All trains except "Congressional Limited."—Adv.

DISEASE AND LAW SERIOUS PUZZLES UPON CANAL ZONE

Magoon Tells Committee of Senate of Affairs on Isthmus.

ORGANIZATION GOOD ONE

Morgan Questions Firm Closely About Right to Inflict Death.

Governor Charles E. Magoon, of the Canal Zone, was today's witness before the Senate Committee on Intercommerce Canals.

Standing six feet three inches, big of shoulders, deep of chest and powerful of frame, he looked every inch a governor, and was a striking refutation of any allegation that the isthmus is not a healthy place of residence for white men.

Governor Magoon in 1899 came to the Government employ as law officer of what is now the Bureau of Insular Affairs, became general counsel for the Canal Commission, and then, in April, 1905, governor of the zone and member of the commission. He is also American minister to Panama.

Found Force Good One.

He made a general statement of conditions in his jurisdiction in the zone. The Executive order of April 1905 created a tripartite division of duties of the commission—executive, engineering and construction, and government and sanitation. Arriving on the isthmus May 24, 1906, he found in his department an excellent organization, perfected by the Walker Commission. This is taken by the administration had not been entirely filled, however, employees were overworked, this resulting from the uncertainty about a reorganization of the commission and its plans. He made no changes in the organization.

The sanitary force especially was well organized. The Government was fortunate in having men who had taken part in sanitary work in Cuba.

But a yellow fever epidemic was imminent in May, 1906, and in June, 1906, two hundred and thirty cases, in June, 1906, were recorded, probably the worst outbreak of yellow fever in the history of the isthmus. The epidemic was not absolutely immune, though nearly so. Panic resulted; two prominent officers died.

Governor Magoon accepted the mosquito question and set to work to combat the insects.

Doing All Possible.

In every way possible conditions of living are being improved. "We are not experimenting, but are doing all possible to promote health by producing the right conditions for it," he said.

The task is an immense one—to make a tropical life fit for men from the temperate zone.

Colonel Gorgas, in charge of the sanitary work, made some changes, though generally well pleased with his force. He had been hampered by lack of assistance and delay in getting supplies. Governor Magoon assured him that as necessary means, men and money would be provided.

The effort is, first, to prevent the propagation of mosquitoes; second, to keep those now found from being infected; and, third, to destroy those already infected. Mosquitoes are the carriers of the disease. Patients are so protected and screened as to keep the mosquitoes away from them.

There were no insubordinate difficulties for doing the work and a regulation was called for things needed. Within forty-eight hours these were on the way. Earlier, his requisitions had been cut down and he did not get enough of the materials needed. That was in the summer of 1904. The disease had not become epidemic till May, 1905.

Needed Supplies Cut Off.

The committee at Washington, for a time, reduced the requisitions, but Colonel Gorgas said he must have a free hand, which had not been given him. He was following the Cuba sanitation plan, and the reduction of his force in his department caused the epidemic, but the refusal to give him the supplies he wanted might have some effect.

The quarantine against bubonic plague against the isthmus, because it cut off connection with outside ports.

Asked if yellow fever originates on the zone, or is merely imported, Governor Magoon was unable to answer. He did not know whether the medical men had investigated that question.

"If a man is brought with yellow fever to the zone, does not the local authority become dangerous?" asked Senator Morgan.

The witness thought this was the case. Senator Morgan pursued a line of inquiry to bring out whether it is necessary for the United States to quarantine against the zone when there are fever cases on the zone. Governor Magoon was of the opinion that public safety would be promoted by such a regulation.

Hospital space was inadequate and has been about doubled, making it now ample. Quarantine has been strictly and

(Continued on Second Page.)

THE DAILY AVERAGE NET PAID CIRCULATION OF THE WASHINGTON TIMES EXCEEDS THAT OF ANY OTHER WASHINGTON PAPER BY THOUSANDS OF COPIES.

Yesterday's net circulation was

37,922

REV. S. H. HADLEY DIES IN HOSPITAL

NEW YORK, Feb. 8.—The Rev. S. H. Hadley, superintendent of the Jerry McEnulty mission, died today in the Presbyterian Hospital.

AGAINST CAMPAIGN FUNDS.

A bill introduced in the House today by Representative Rainey prohibits any national bank or corporation from making contributions for Federal elections.

The penalty for violation of the bill by any officer or director of any bank or corporation is a \$1,000 fine or imprisonment for two years, or both.

Expert Packers.

Merchants' Transfer and Storage Co.—Adv.

NOTED VISITOR TO THE CAPITAL; A MAN OF VARIED ACTIVITIES



PASS PAYNE BILL IS PLEA OF TAFT HINTS APOSTLES MEANT HIS RUIN

Says Opposition Is From Biased Sources.

SQUARE DEAL FOR ISLAND COMPETITION WAS KEEN

Secretary Wants the Filipino Given the Same Commercial Chances as Some People

Among other things in his statement before the Senate Committee on the Philippines today on the Payne tariff bill, Secretary Taft said:

"If the bill that is now before this committee, and which has been in controversy for over four years, does not pass I hope we can carry on the controversy for ten years more."

Mr. Taft made an earnest plea for favorable consideration on the measure, and said that much of the adverse agitation on the free admission of Philippine products came from biased sources.

"One of the queries that must arise in the minds of those who have followed the testimony before the committee," he said, "is what will be the real effect of the bill upon home industry?"

Home Industries Safe.

"The real effect of the bill in its present form, and operated under its present provisions, would in no way hurt the sugar and tobacco interests of this country. Those opposed to the bill are looking into the remote future. What they are afraid of is the development of the industry in the islands, and not the immediate results of a possible slack of the industry at home."

Plea for Filipinos.

The Secretary then pleaded for placing the Filipinos upon the same footing with respect to markets and burden of markets as our own people. In substantiation of this he cited the conditions surrounding the Porto Rico controversy and said that we were honor bound to offer the bill as a stimulant to the small sugar and tobacco industry of our Oriental world.

The Secretary will appear before the committee again on Wednesday to answer some questions from Senators Hale and Culberson. On Monday and Tuesday, he had sugar men from Nebraska will be before the committee.

PRESIDENT SENDS BRAUN LETTERS TO CONGRESS

In response to Representative Sulzer's resolution, the President has sent to Congress the correspondence in the case of Marcus Braun, special immigrant inspector whose mission to Austria-Hungary was to investigate the conditions of the country and the United States. Mr. Braun claims the authorities opened his letters, discovering that he had laid bare their scheme to "colonize" parts of the United States with Hungarians, who would adhere to all their Hungarian customs, and still be loyal to their ruler across the seas.

JOSEPH A. CUNNINGHAM ASKS ABSOLUTE DIVORCE

Joseph A. Cunningham has begun proceedings in the local courts against Anna M. Cunningham for absolute divorce. They were married in Westmoreland County, Va., in March, 1895. Mr. Cunningham names two co-respondents in the proceedings, Campbell Carington is counsel for the complainant.

SENSATIONS PROMISED.

When the Smoot hearings are resumed Senator Smoot and his counsel, A. S. Worthington, will submit some sensational testimony both documentary and otherwise in rebuttal of the statements made by witness during the past three days.

The defense will try to show that the Smoot-Smith controversy over the salt interests in Utah, were brought about entirely by Mr. Smoot, on behalf of the Beck Salt Company, of which Mr. Smith was one of the organizers, and which was in opposition to the Inland Salt Company, operated by Joseph F. Smith, attempted to sell a majority of that company's stock for \$50,000 to the Inland people. The Inland company, however, learning that the Beck Salt Company had expended not to exceed \$12,000, refused to purchase, holding that the price asked was exorbitant.

According to statements now in possession of Mr. Smoot, the Beck Company had authorized a sale for \$35,000 of the company's liabilities as \$10,000 at 40 cents on the dollar. They allege that Mr. Smoot visited Richard Taylor on the latter's deathbed and tried to get Taylor's stock at 25 cents

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LAWSON ARRIVES CONFIDENT THAT VICTORY IS HIS

Declares Insurance System Is on the Run.

As breezy as the unconventional West from which he has just come, Thomas W. Lawson, of Boston, sat in the drawing room of his private car, isolating, at the Pennsylvania station this morning, and talked with a reporter of the Times of the progress in the fight for control of the big insurance companies. He is now waging. He was fresh from conferences with Governor Cummins of Iowa and Governor Johnson of Minnesota, and the whole atmosphere of the man spoke the blithe confidence in himself, his star, and the future.

CAMPAIGN BY PROXIES

Bostonian Sure He Controls Sufficient to Win the Fight.

"We have the fight won—the system on the run. When the annual meeting of the New York Life is held in April the country will see some of the fastest scurrying it has ever had the privilege of witnessing. It will be performed by Messrs. Rockefeller, Rogers, Stillman et al., and might properly be called 'Getting from Under.'"

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"When the reorganization to which I look forward in entire confidence, has been perfected," said Mr. Lawson, "it will be found that between \$15,000,000 and \$25,000,000 has been stolen from the policyholders of the New York Life and the Mutual Life. It will be the duty of the new board of directors to trace the methods and the persons by whom these defalcations have been committed, to recover the money, put an end to iniquitous policies and send the guilty perpetrators of the hideous wrong to the prison where they belong."

Mr. Lawson stopped long enough to take a long breath and rearrange his thoughts. He said himself he is so full of the insurance subject, after twenty-one months of daily and nightly struggles with its intricate problems, that when he begins to talk he scarce knows where he will end.

Strong Committee Chairman.

He has been scurrying about the country in his car perfecting the committee of distinguished men, to which he will turn over the proxies of policyholders in the Mutual Life and New York Life which he has collected. The committee now approaches completion, and within a few days its membership will be definitely announced. It will be headed, Mr. Lawson says, by a man so distinguished in the public life of the country that the very announcement of his name will carry consternation and dismay into the ranks of the opposition.

The committee, in anticipation of the April gathering, will begin at once a campaign of activity. It will appear before the New York General Assembly, where it will ask for the enactment of three laws. These it will be contended, are absolutely just in themselves and dictated by every consideration of fairness and right.

"Public opinion will assure their passage," said Mr. Lawson, "and their enactment will eline the control of the two big companies by the policyholders, represented by the committee I have been instrumental in forming."

The present charter of the New York Life provides that only one-fourth of the board of directors shall be elected at each annual meeting. The general assembly will propose to change the charter, so that a majority of the board will be chosen in April. This will be asked on the ground that the policyholders of the company have had no real opportunity to give their preference with a knowledge of the facts before them.

The second law, the enactment of which will be urged, will cancel all old proxies now in existence which have been given for some other purpose than that of the impending meeting. The third law will notify all proxies which have been secured and collected by the expenditure of the policyholders' money.

"These laws," said Mr. Lawson, "will place the controlling forces in the company in the same position as to proxies as everyone else who cherishes a fax for collecting them. Heretofore, nobody has been able to collect proxies except by the expenditure of two or three hundred thousand dollars. Consequently nobody could collect the proxies and give them to the company, using the company's money. Obviously this is a species of fraud; obviously it is unfair. I don't think there is any question the assembly will put an end to it."

"I started to collect my proxies long ago. I have them. When the insurance investigation closed it was indubitable that I held the control of the two companies. I had sought. While the investigation was in progress the powers behind the screen, contrary to proxies, but as soon as it ended they began to act."

"A campaign for proxies was at once begun. Agents were instructed to get proxies and to get them by hook or crook. Principally, by crook. I infer from the method of their interpretation. With the campaign for proxies went a campaign for new business. Policies were sold at any price, so long as the policyholder was induced to give an irrevocable proxy with his application."

Dangerous Risks Taken.

"Risks of all kinds, however dangerous, were accepted—with the same modest proviso. Why, I know of one man, who recently has taken policies aggregating hundreds of thousands of dollars, who has applied for insurance in the past and been refused twenty-seven times. He is a consumptive, and consumption has been in his family for three generations."

"Getting proxies, however, in view of the public acquaintance with conditions, was not as easy for the company's agents as it has been. They reported some of their difficulties to the home office and were instructed to advise policyholders, who would give them proxies to give proxies to no one else—meaning

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